USACE 2012

FUTURE CORPORATE AND HQ DESIGN STUDY

APPENDIX C: IDEAL FUTURE CORPORATE DESIGN

Introduction

The Corps is unique among Federal agencies. It builds and operates civilian and military facilities and infrastructure, yet also has a regulatory environmental function. It is part of the Army, a service organization for governmental agencies, and partners with the private sector. Army officers lead its largely civilian workforce. It is part of the Executive Branch and takes direction from them while trying to serve the mandates contained in the funding provided by the Congress. Additionally, cost sharing sponsors are key partners in accomplishing work and providing funding. Few other federal agencies have such a complex culture, multi-directional relationships, and varied missions.

> *Stakeholder Quote*
>
> *"The Corps needs to remain relevant to the public interest. Corps is not the only game in town. Hard to make the case that the Corps is the only agency that can do the work."*

As the new millennium arrived the Corps increasingly faced an economic and political context challenging 226 years of tradition and service to our nation. These challenges included heightened competition for work, complex demands and systemic problems of customers and stakeholders, new kinds of work, and the need to attract, retain, and motivate a changing professional workforce. These new stresses exacerbated normal tensions between internal elements and structures.

This study and future design addresses these new realities. This report, initiated by the Deputy Commanding General, follows the earlier study of recommended changes in Headquarters size and functioning. This report is the next step in framing and addressing the issues raised there. After describing the ideal future design, this report analyzes a number of structure alternatives, and recommends one structural change as best approximating the transition to that ideal future. But the results of structure change are always over-inflated, since changing structure can only be a part of what is necessary to change culture for the ideal future.

This report will not, therefore, focus on an individual crisis, challenge or problem, as if such a focus could be isolated from the whole reality of the Corps. For example, the request to shift a handful of FTE from one Headquarters office to another cannot be understood or addressed without looking at the kind of organization the Corps must become in the future. It is not possible to make strategic decisions or plan strategically without a picture of that ideal future. Through a rigorous analysis of where we are today, and accepting a short delivery date, this report provides the missing picture of the Corps in 2012 as best as our foresight allows.

The team producing this report recognizes that this report must be discussed fully by the senior leadership in the Corps, and interactively by them with other leaders throughout the organization. Decisions to make important changes will emerge from this interactive leadership dialogue. If this document remains a report on the shelf or hard-drive, we will have failed. The Corps' leaders must decide to do today what is necessary to realize the Corps' ideal future tomorrow. This is their *strategic* responsibility. If they decline to accept this responsibility they will be left with the urgent, but largely reactive, operational crisis of the moment.

What follows is the story of how the Corps transformed itself over ten years, from the challenges of 2002-2003 to our current status in 2012 as a model for Federal agencies.

The Ideal Future

Today, in 2012, we have become a complex, self-organizing, adaptive learning organization. Back in 2003 these concepts seemed hard to understand. We describe what these concepts have been understood to mean, after the necessary investment of time for discussion and reflection by Corps leaders. At that earlier time we liked to think of ourselves as a careful structuring of programs, divisions, districts, and stovepipes of experts. Although we did not like to use these concepts then, the Corps at the time was a hierarchy of these structures layered into a bureaucracy.

The positive aspects of hierarchical bureaucracy are established processes, fair treatment of employees, vertical accountability, and rational planning. The Corps' bureaucracy circa 2002 employed a command and control approach to management. This form of organization was required in traditional battlefield conditions. The transformation of Army strategy in subsequent years moved away from hierarchical command and control so that field commanders were empowered to adapt given their changing situational analysis. The Objective Force moves from traditional C2 to C4 (Command, Control, Communications, Computers). Command and control as a model of management worked well in organizations during the stable era of manufacturing, such as the years of dam-building, but we realize that in today's knowledge and service mode of production, with the need for fast adaptation to diverse local conditions and changing customer needs, it would be a hindrance to innovation and effectiveness.

If the solid concrete structure of the dam was the symbol of the era of manufacturing, the dynamic system of a sustainable ecological watershed is the symbol of our knowledge and service era in 2012. We learned in those years the importance of the difference between an immobile structure and a dynamic adaptive system.

> *Army Objective Force Quote*
>
> *"Leaders must become the agents and disciples of change. We must establish an environment of innovation and encourage initiative that will harness the creative energy required to ensure that Transformation succeeds."*
>
> *"While all functional areas are inter-dependent on network-centric C4, transformation of functional area information systems from stovepipe, stand-alone systems and processes into knowledge–based enterprise processes are critical to the success of the Objective Force. This knowledge transformation is not merely based on new technology, but radical changes in Army and Joint business processes, doctrine, organization, training, leadership, and education to exploit the power of knowledge and turn it into decision dominance for the battlefield commander."*

Over the next years from 2002-2003 Corps employees and teams learned to be self-organizing which means empowered to achieve mandated missions, following guiding principles without micromanagement. We came to recognize that the best way to adapt to its many challenges was by the fluid and regular interaction of teams that were created, encouraged to flourish, and then abolished as they accomplished their missions. This

complex interaction created the energetic responsiveness required in a competitive, continually changing economic and political environment.

The Corps learned in those years that bureaucratic structure was too inward-focused, slow, and based on the self-applauding belief in its own expertise and knowledge of what customers needed. Replacing that culture of experts was the development of a culture of continual learning from customers, other stakeholders, strategic partners, and best practices from throughout the global economy and from internal teams, Centers, Labs, and individuals.

Back at the Senior Leaders Conference in Orlando in 2002 learning cases of past efforts were discussed and lessons were drawn to guide future thinking. This became the benchmark for all future leadership convocations. This was a step in the history we have seen since then. Meetings have been transformed from the downloading of information in 'briefings' to being forums for dialogue and learning. Over those transition years from 2002-2003 to the present the Corps made strategic, operational, and technical learning the standard for internal processes, as it became a learning organization.

> *Stakeholder Quotes*
>
> *"We should be customer focused. Often within our own business process, we focus on programs versus the customer. How we align and report should change to make the main thing the main thing."*
>
> *"I have many different local sponsors and numerous stakeholders. The main complaint I hear is "The Corps may be slow but it's expensive."*
>
> *"Focus on customer satisfaction and learn from each experience so that we improve our timeliness and quality of product delivery."*

Lets look at what we have become in 2012.

Purpose

The purpose of the Corps in 2012 is to co-produce with others solutions for complex systems, nationally and internationally, that require multiple engineering services and oversight. These complex systems include:

- water resource systems that provide environmentally sustainable services to the nation;
- environmental clean-up and restoration;
- crisis response;
- war-fighting preparation and infrastructure life-cycle;
- post-conflict reconstruction.

> *Stakeholder Quote*
>
> *"When I call you and you tell me a project in (State) is okay, i.e., when you say 'yes'. But I also understand that you can't always say 'yes', and what I like is when you say 'no', it doesn't stop there – you help us find a solution, other ways to get done what we're trying to do."*

In 2012, we have realized that co-production is at the heart of organizational learning since the services we provide are shaped by what we learn from our customers and stakeholders. We cannot alone produce what they need to succeed toward their strategic goals without their active and regular contribution and interaction. Back in 2002-2003 many Corps

members feared not being totally 'in charge' which was rationalized by their belief in their own technical knowledge. They came to learn that making customers and stakeholders co-producers with us gave them new understanding and authority because it was based on new knowledge of what was needed to be effective.

The transition from those years to our solutions and systems focus today emerged increasingly as we recognized that to be effective we had to see problems from a larger social and ecological perspective. Projects could no longer be seen solely in terms of immediate specifications. Projects had to be understood in terms of the complex social, political, and ecological systems of the customers' world. Satisfying the customer, becoming customer-focused, could no longer be just delivering the project on time, on specs, and on budget, although this is always necessary. The Corps has learned to form strategic working relationships with customers, engage in dialogue about their long-term needs, and in this way become a trusted, on-going partner, well beyond the immediate project. This shift from individual projects to broad solutions to complex challenges, from fragmented problems to systems thinking has been fundamental to our purpose today.

As we became more strategic in our thinking in Headquarters, we realized that strategy also has an internal face. Internally our strategy recognized, starting in 2002-2003, that we had to also take a systems approach to changing culture. We realized we had to align all the parts (Ss) of our culture with the Corps' purpose and ideal future we defined in those years. We stopped trying to manage the parts of the organization, such as the stovepipes, programs, and functions, separately, one at a time. We realized that they all had to be integrated as they interact and affect each other, and how they all align with our purpose today in 2012. For Headquarters leaders to be *strategic* we had to focus on the interaction of the parts, not the management of the parts separately.

> *Stakeholder Quotes*
>
> " *You need to look at problems holistically not just pieces like design and construction. You need more of a systems / watershed approach.*"
>
> "*To become more efficient and effective the Corps needs to become more flexible, more communicative, more responsive and more comprehensive.*"

Below we describe how each of the parts of the social system of the Corps' culture are now aligned. We start with the *Stakeholder Values* and show how we came to realize that our *Shared Values* needed to align with those of our stakeholders. Our *Strategy* had to be focused on creating our ideal future, aligning all values, relationships, processes, and efforts to our ideal purpose as a model of Federal service.

We saw then that our *Style* of Leadership, what our leaders did and how they did it, had to create an organization aligned in all our work, thinking, efforts, and services with that ideal future. We also realized in those years that we had to ensure that employees had the *Skills* necessary to be effective in today's knowledge and service mode of work. *Systems* and *Structure* had to facilitate and empower the effectiveness of the workforce for our customers and other stakeholders. In these ways we shifted our focus as an organization from internal consistency and process to our stakeholders' success, whether that be a

military customer, a foreign nation, or decision-makers affecting our nation's economic and environmental sustainability.

Stakeholder Values

In those early years the conflicting diversity of our stakeholders and their often-competing values made us reactive and fragmented in our responses. We realized some values were generic to all of them. In aligning our way of working with them in terms of those values, we could then better address those values that were specific to each stakeholder.

All stakeholders value:

- Respect for their authority and purposes
- Responsiveness to their needs and constraints
- Willingness to listen and learn
- Honest and timely communication
- Meaningful involvement
- Integrity of behavior
- Openness

Stakeholders also have specific values unique to their social, political, economic, or historical reality. Understanding these values, and learning how to align our culture to respond effectively to them, has determined the success of our strategy since those formative transitional years of 2002-2003.

White House / Administration

The Administration, including the Office of Management and Budget and the Council on Environmental Quality, is the Nation's elected executive leadership. In response to the electorate's wishes the Administration's values may change, causing the Corps to respond to those new values, while upholding existing laws and regulations. The values of the administration therefore are:

Stakeholder Quote

"In the past you have been focused down into the organization. You were concerned with how you were organized and structured to the detriment of the needs of your constituent base. I can recall when a Division Commander was prevented from communicating with the Director of CEQ. Then, when the CEQ Director was directed to HQUSACE, he was referred to a Lieutenant Colonel to take his inquiry. That's simply bad politics and does little to build your constituent base in Washington, DC."

- Loyalty and alignment with their political platform
- Assistance in policy development
- Stewardship of national resources
- Assistance in military strategy implementation
- Outcomes expected from missions
- Good value for investment

Congress

Members of the House and Senate vary in their individual values across the political spectrum, though all want:

- Development and employment in their districts
- Advice and support for their political agenda
- Fast information / evidence needed to shape law and policy
- Stewardship of national resources
- Best value for the national investments

Army

The Department of the Army values:

- Chain of Command
- Focus on military work
- No bad press or surprises

Environmental community

There are diverse groups in this community, though all share these values:

- Protect and restore the environment; environmental sustainability
- Ecological systems thinking
- Brownfield and infill over green field development
- Independent scientific review
- Responsible permitting
- Interaction, participation

Direct-Paying Customers and Cost Sharing Sponsors

- Involvement in project design / process (co-production)
- Rate of return
- Quality, Timeliness, Cost
- Predictability

Federal and State Partners (e.g., EPA, FEMA)

- Understanding of their cultures and strategies
- Collaboration to support their success

Native Americans

- Dignity
- Sovereignty
- Cultural preservation

Employees

- Empowerment, freedom from control
- Technology to facilitate work
- Individual learning, the marketability of their skills
- Variety in work and learning opportunities
- Meaningful work
- Public service

Shared Values

As an organization the Corps has learned over the years from 2002-2003 that the values shared across the whole corporate enterprise must align with those of our stakeholders. Case study lessons showed that we often created problems when we misunderstood how our values were not aligned with what our stakeholders valued. Leaders also learned that it is part of their strategic role to educate the workforce about values, integrating them into all work and projects.

The Corps learned to shape our values with alignment as the guide, not simply because something seems important to us, or because we want to balance one value with another, or create 'trade-offs'. Our shared values as a corporate enterprise in 2012 are:

- Integrity and public trust
- Stewardship
- Public service
- Stakeholder / customer success
- Collaboration / teamwork
- Empowerment
- Organizational learning
- Innovation

> *Stakeholder Quote*
>
> *"You need to become fully integrated with all your customers. Customer goals need to be your goals….Tell us what you're doing for other customers, share good ideas. We're willing to try new things if it'll result in a better project. You don't do this well."*

Strategy

In 2002-2003 the Corps was establishing PMBP as the basic way of doing business. The 20-year effort to create project management was a learning case at the 2002 Senior Leadership Conference in Orlando. Subsequently, this operational strategy was aligned with the growing focus on developing strategic relationships with customers, other stakeholders, and Federal agencies. Our strategy became based on regular interactive dialogue with stakeholders about their strategies, needs, and ideas, and ours. As the years progressed this systematic learning from customers, other stakeholders, and partners became the heart of the Corps' strategic development. The 2012 strategy is implied in the Purpose of the Corps stated above.

- Solutions and systems-focused
- Trusted government agent, providing inherently governmental engineering services

to solve systems challenges
- Based on continual learning, collaboration, and strategic working relationships aligned with stakeholders' and other Federal agencies' strategies
- Co-production from design to completion

- Internally, all parts of the culture are aligned to facilitate stakeholders' success

Style of Leadership

In the manufacturing mode of work, management was the key to organizing work. During those years of a relatively stable economy the Corps had a monopoly. Change was slow and more predictable. In the period 1980 – 2002 work changed from the manufacturing mode to the knowledge and service mode. This new way of working and creating value for customers is so much a part of the way we think and work today in 2012 that it is hard to remember how this seemed so new then.

We have realized in the years since that management is a series of functions, and these can be distributed among the members of a work group. Now that we are organized around teams this seems second nature to us. Today we realize that leadership is the key to being effective. Leadership is a relationship, not a function, and cannot be delegated to others. Leaders are people others want to follow. In 2012 we understand that there are leaders throughout the organization, at all levels. We recognize that leadership can be developed in some people who are interested in learning. Consequently we have a vibrant and effective leadership development program.

Stakeholder Quotes

"Provide technical and managerial challenges and minimize bureaucratic restrictions. Trust me and support me."

"Think and act 2012 everyday. Be a flexible organization that understands and promotes the work going on in the field."

"Give me interesting and meaningful work that does not violate my environmental principles."

"Provide increased responsibility and challenging work."

We have learned that the new workforce of knowledge workers that emerged in those transitional years 1990 – 2005 required a new kind of leadership attuned to their values of continual learning, challenge, and a spirit of play integrated into the work, teamwork, and a balanced life. The traditional manager of those early years, trained in hierarchy and control, was out of tune with the demands of the knowledge and service mode for flexibility, speed, innovation, and agile adaptiveness. The leaders throughout the Corps that we have developed since then recognize the *natural fit* between the new values of the workforce in 2012, and the needs of our customers and other stakeholders.

Our 2012 style of leadership emphasizes some generic qualities, which were spelled out more fully in the Leadership for Learning Doctrine of 2003. Some of these are:

- Listening and learning, and then willing to decide
- Being an educator about values and purpose
- Understanding oneself, and interested in continually learning
- Aligning operations with strategy

- Collaborative, building relationships and involvement
- Understanding personal differences in what motivates others
- Caring for people / empathy
- Understanding how to create and sustain dialogue
- Non-punitive accountability to encourage learning
- Innovative

During the transition years to today the norm was operational leadership, even at the highest levels of HQUSACE. Over that time we came to realize that the primary responsibility of Headquarters leaders was strategic. With Headquarters Washington DC closest to national stakeholders and the Regional Headquarters Offices closer to regional stakeholders, strategic relationships became central to Headquarters responsibilities. We built strategic leadership into our leadership development program. The strategic leader has a rare competence which includes:

- Foresight
- Visioning (strategic understanding and action for systemic change, not just writing statements)
- Creating strategic dialogue
- Systems thinking
- Building a motivating culture
- Partnering

> *Stakeholder Quote*
>
> *"Ideally, we should have been defining our future years ago. Now we are faced with OMB and Army defining it for us. We need to be proactive. Benchmark other organizations - some of them do great jobs."*

During the transitional years we also learned that Headquarters had to significantly reduce the time they spent as operational managers and leaders. Virtually all operational leadership was shifted intentionally to the regions and districts, closer to the customers and projects. This was only possible when we created an interactive planning process, which we describe more below under Systems, in which operational leaders aligned all programs, projects, and work with strategic directions through a continuous back and forth leadership dialogue. Operational leadership has been developed since those years to have its own competences aligned with our corporate purpose and strategy:

- Empowering of individuals and teams
- PMBP collaboration, and co-production focused
- Two-way communication, dialogue
- Seeking the streamlined, entrepreneurial, non-bureaucratic approach
- Continuous improvement and learning-focused
- Seeking best-practices, innovations, lessons learned
- Relationship-building
- Creating teamwork between disciplines and communities of practice

Skills

As we became focused as an organization on solutions and systems we realized that the skills of our workforce had to also broaden. Still crucial are the technical competencies of the communities of practice. During the transition years we realized that being

technically skilled does not make one a good manager or leader. This is not taught in technical training school. Therefore, we realized that to work closely and interactively with stakeholders, to be team members with others who have different forms of expertise, our workforce had to develop new skills, attitudes, and behaviors. Today in 2012 we recruit, select, and promote employees and leaders based not primarily on their technical competence, though this is still essential, but on their leadership, interpersonal, and thinking skills. In those early years of 2002-2003, technical competence was the main criteria. Today we look specifically for qualities of:

> ### Stakeholder Quote
>
> *"We don't know how to use metrics! We set targets and goals blindly but use no trend data, no control charts, no comparative data ... and call it metrics. I want real measures of continuous improvement!"*

- Motivation to learn
- Interpersonal rapport with others, ability to establish relationships
- Agility, flexibility, and openness in response
- Commitment to shared corporate values
- Employing the diversity of thought and work styles of team members
- Integrating leadership, technical excellence, and business skills
- Tolerance for ambiguity, uncertainty, able to bring focus out of complexity and chaos
- Willing to accept responsibility, empowerment, be self-starters
- Team collaborative in spirit and practice
- Recognize systems thinking and respond to it

Systems

> ### Stakeholder Quote
>
> *"Corps will need to be more competitive with the private sector. Corps process is too long and it's just a hassle to deal with the Federal Government rules and regulations. The Corps can do the work faster than the private sector if both have to follow the same federal process/rules. But if work is done outside federal process/rules the private sector can do it faster and better. If we can't streamline and fix the process and reduce the time required the Corps will become irrelevant."*

Today in 2012 we have streamlined and focused our systems, redesigning the bureaucratic systems of the manufacturing era that we have left behind. Our systems are designed to facilitate continuous improvement, not control. During the transition to today we realized that it was counterproductive to continue monitoring and data-compiling systems that had arisen over time, but whose results were no longer used, or added value. Today our systems emphasize the following values:

- Human Resource systems focus primarily on attracting and empowering a workforce with the character, talents, knowledge, and behavior required for continual learning and organizational effectiveness in helping stakeholders succeed.
- Performance evaluation and rewards systems emphasize technical excellence *and* the personal and interpersonal qualities of a values-oriented, collaborative learner.
- Non-bureaucratic, value-added business systems.

- Organizational measurements focus on results-oriented project measurements *and* corporate effectiveness in terms of degree of customer success, interagency support, strategic relationships, and level of service to agencies and customers.
- Internal linkages, how much communities of practice and stovepipes of expertise collaborate in stakeholders' success.
- External and internal, real-time, 2-way interactive, integrative, communications, including fast global communication to all Corps members.
- Web-based systems that make virtual teaming the seamless standard for projects.

- Interoperability of streamlined technical systems, including the capability to do complex systems analysis and modeling.
- Doctrine and strategy-based budgeting.

> **Stakeholder Quote**
>
> *"You need to be more electronically based. Better use of information technology and systems. Sponsors (committee staff) have faster access to current project information on the internet."*

Structure

During the transition to 2012 we learned to distinguish macro structure, strategic structure, and work process structure. We learned that when we designed our ideal future in 2003, structure had to be aligned with the values and strategy of the organization. Structure could not determine purpose or strategy.

We recognized that for bureaucracies facing change the default mode of decision-makers is to change structure or create new structure (offices, reporting lines, titles, etc.) Defining structure seems clean and precise. They hope that culture, behavior and new direction would result. We learned that this was a mistaken assumption. Therefore, we did not let structure be the first part (S) designed, in order to assure that it served the organizational purpose emerging at that time.

Today in 2012 the Corps' macrostructure is by

- customer (Military Programs and Civil Works),
- region (Divisions, Districts),
- function (Human Resources, Real Estate, etc.), and
- process (design, financial, etc.).

> **Organization**
>
> *The whole social system of culture (all the 7 Ss).*
>
> *Organization is how people work together using resources and systems to achieve enterprise values and objectives.*
>
> **Structure**
>
> *Roles, responsibilities and authority (one of the Ss).*
>
> *Structure is how people are grouped and the authority they are given.*

The strategic structure is how the strategic, operational, and work process levels relate, how they work together. During those transition years the Corps' strategic structure shifted from a largely bureaucratic command and control structure to an increasingly interactive strategic structure. This was in response to the changing context that demanded greater adaptation, flexibility, and speed of response to diverse stakeholders' changing needs. Bureaucratic strategic structure employs command and control planning and decision-making and is largely linear and one-way. It is usually

absorbed in reactive, short and mid-term responses to current crises. Bureaucratic strategic structure alternates regularly like a pendulum between periods of centralization and decentralization. But neither centralizing nor decentralizing strategic structure creates the effective alternative that fits what we need today in 2012. Only the interactive strategic structure fits the requirements of knowledge and service work in today's context.

Interactive strategic structure is based on interactive planning between levels. It is two-way and emphases cycles of regular dialogue and continuous learning. The focus of interactive strategic structure is to align short and mid-term activities to best achieve the long-term strategy and ideal future. During the transitional years of 2002-4 and since, the Corps recognized that the bureaucratic command and control strategic structure, with its fragmented leadership structures, fit the stable period of manufacturing work but was not effective in the knowledge and service mode of work which was then so prominently changing everything. We learned that one can not command people to be empowered, motivated, creative, or understand others' needs and thinking.

> **Army Objective Force Quote**
>
> *"Parallel and collaborative planning methodologies also link multiple echelons into simultaneous rather than sequential orders production cycles. A combination of mission planning software and collaborative capabilities enhance the capabilities of supporting staffs and facilitate the use of expertise*

> **Stakeholder Quote**
>
> *"You need a system to [distribute] your lessons learned, turn those lessons into valuable knowledge that goes out to all Districts."*

In 2012 we realize that Headquarters is a responsibility of both Washington and the Divisions. Today these shared Headquarters offices regularly conduct leadership dialogues, some in person, some virtually, to create shared understanding, decisions, and implementation as a leadership group. Interactively Headquarters leaders continually shape strategy together. Through this systematic interaction they base decisions on continual learning from strategic relationships in Washington and the Regions. In this way the interactive strategic structure is flexible, responsive, and innovative.

From those transformational years of 2002-2003 we aligned our various work process structures according to the kind of work it was. We realized that standardized work required different structure than work that had to be customized to different stakeholders, contexts, constraints and requirements. We also learned to design specific work process structures to fit the amount of knowledge required, and to require learning across regions and districts. In addition, we saw in those years that the work process structures that fit the Corps' ideal future as an interactive, learning culture were very different than the earlier bureaucratic culture's work process structures.

> **Stakeholder Quote**
>
> *"While emerging information technologies facilitate coordinating, fusing, sharing, and displaying relevant information, these functions remain very human dependant. The non-contiguous battlespace places increased emphasis on the initiative, agility, judgment, and tactical and technical competence of skilled leaders at all levels. Advanced information technologies enable the force, but are not a substitute for...leadership. In order to achieve this level of agility, Objective Force units will be enhanced 'learning organizations'..."*

Why and How We Changed

In the years 2000-2004, the Corps was under increasing pressure from various quarters to change, and facing increased scrutiny in the media. The Chief of Engineers was given the mandate by Congress to change the Corps. One major focus was setting the Corps on the path to become a learning organization. The Learning Organization Doctrine of April, 2002 spelled out the new context for the Corps. It described how much of the pressure to change arose from fundamental shifts in the mode of work, fostered by technology, global competition, and changes in values of the workforce.

In 2012, we have seen the full development of the knowledge and service mode of work, which requires more collaboration, innovation, learning from others, and partnering. It has become obvious to us in 2012 that *the learning organization is the model organization for our era* where our success is based on the usefulness of our knowledge and the effectiveness of our service. We realize now that it is not what we learned in school that is important, but what we can learn today with our stakeholders. It is no longer sufficient to be friendly and attentive, although this is an important attitude of service. It is essential today to understand the long-term strategy of our customers and other stakeholders and Federal agencies, innovating services for their success. These qualities come from being learners, not experts who already have the answers.

> ### *Army Objective Force Quote*
>
> *"The Transformed Army is not just new systems; it is the completed, holistic revolution in doctrine, organizations, training, materiel, leader development, people, and facilities (DOTMLPF)."*

During those early years we came to realize that we could not create the learning culture one initiative, one study, one change at a time. We recognized that we could not keep looking for quick actions and expect long-term and well thought-out change. We realized we needed to eliminate duplication and integrate many change initiatives. This became clear as we understood the need for a systems view of culture and change. The Learning Organization Doctrine brought the 7S model of seeing our organizational culture as a dynamic social system. We realized that leaders had to focus on the interactions of the various parts of the organization, rather than managing the programs, functions, regions, and processes of the organization separating. One example was when we advocated PMBP teamwork as the way of doing business, but mainly evaluated and rewarded individual job performance; or when we realized we needed to work more collaboratively with other Federal agencies, but did not measure how those agencies viewed our contribution to their success.

> ### *Stakeholder Quote*
>
> *"The Corps is a four level organization (District / Division / HQ / ASA(CW)) and if you add OMB it is really 5 levels: the Corps lacks strong coordination among all levels."*

During those transformational early years Headquarters Washington focused increasingly on its strategic responsibilities. The operational responsibilities that had so absorbed it in the bureaucratic era were shifted to the Regional Offices and Districts, who were closer

to project work and regular interactions with the customers' employees who had project responsibility. The Regional Offices could also be more responsive to regional cultural diversity and region-specific issues. Headquarters Washington's focus was with customers, other stakeholders, and Federal agencies at their strategic national level.

We also realized in those early years we needed to integrate and change the culture of our various leadership meetings. With Headquarters Washington becoming more strategic and smaller, this allowed a higher level of work and thinking. HQs meetings became strategic dialogues. There were fewer short-term crises, and time could be used more reflectively and creatively. This freed agenda time and mental space in leadership meetings to be more strategic.

One of the early steps in those years was to first create a shared understanding of what we meant by strategy, and what our strategy had to be. Along with this focusing on our strategic role in Headquarters came the realization that strategic thinking and planning was a line executive responsibility. It could not be delegated to a staff group. Staffers could do papers that helped analysis, but they could not do the thinking, planning, and decision-making. We learned we needed strategic facilitation, more than traditional meeting facilitation. We realized that as leaders we were too individualistic, wanting to win arguments, and therefore not good at being team players. We had to learn how to bring out differences in a constructive way, listen to others non-defensively, and create strategic dialogue.

> **Stakeholder Quote**
>
> *"The 'teams' in the headquarters and vertically are composed of folks who, for the most part, [seem to] have never had [much experience] in working as a team. Not everyone has the sandlot experience of forming up teams on an ad hoc basis, and even if they did, not everyone is able to do that successfully...I suggest that knowledgeable people should be looking at the teams, evaluating which ones are not operating as they should be, and working on ways to get them on track."*

As we saw that Headquarters had to be strategic in its thinking and practice we realized that not all functions, jobs, and personnel in Headquarters, both in Washington and Regions, *were* strategic. The Learning Organization Doctrine of 2002 discussed the cycle Be – Know – Do – Learn. This cycle of individual and organization development indicates that some people's talents, who they are as people, what they know and think about, what they can do, and what they are motivated to learn about fit strategic work, and some people's talents do not fit this work.

Therefore selection and development of Headquarters leaders, managers, and staff was focused in those early years, and since, on developing strategic leaders for HQs work.

> **Stakeholder Quote**
>
> *"Start talking to the real workers, not just the chiefs, and be willing to listen to the good and the bad. If all HQs is interested in hearing is the party line and what a great organization we are, we will never be able to find the areas that are lacking and work towards true improvement in our organization."*

Through the Learning Network, consisting of the University and the Communities of Practice, the leadership development programs across the Corps were integrated and focused. An Executive Leadership Program integrated strategic learning with the work

of Headquarters both in Washington and in the Regions, and since those early years has become an important element of Headquarters culture.

Another important element of how we changed was to focus our metrics on results in terms of our collaborative, learning, and service values. We moved to gap surveys that tell us both what our own employees and our customers and partners value *and* where we are perceived to be on those criteria. Gap surveys also indicate where our largest needs for improvement are.   In those years we eliminated data calls that did not add to these results, and we also measured less process. Results measurements from customers, other stakeholders, and partner Federal agencies now allow   us   to   easily   learn   what   needs streamlining and organizational improvement. We have learned to regularly use these measures of results for performance evaluation, planning and decision-making.

> **Stakeholder Quote**
>
> *"You don't measure success the way I do which is measure success with the customer's yardstick."*

In July, 1776 when the just written Declaration of Independence was read to the public in the park behind the Pennsylvania State House (now called Independence Hall) a riot erupted. Why? At the time about a 1/3 of the people living in the thirteen colonies derived their livelihood from working for or with the British.   Another 1/3 of the colonists supported the Declaration and the effort to create a new government, while a third did not care one way or the other and went about their daily work.

Looking back from 2012 we can see how hard it seemed for many to make the transformation to our complex, adaptive, self-organizing learning organization. Hindsight has the advantage of being able to document history with facts. Foresight is always harder because it requires understanding trends and forces that are still unfolding. We saw then that to be strategic thinkers required that we plan based on our limited foresight.   Trusting each other and employing our foresight let us better prepare for the historical forces we saw emerge in those early years. Because of the courage and foresight of those pioneers to learn and change, history has rewarded the Corps, with being today a trusted model of innovative Federal service.